App.F.IX-4

1924-5 (Jany)

File No. 50 - 24

Previous References
G 20308 - 13/ San 80-16-15 of 10-3-19
L 2891 - 904/ San 28-24-1 of 1-10-24
L 5711 - 21/ San 45-24-2 of 4-2-25
San 45-24/ 77, 81.
San 108-18/1-20
Later references.

Serial Nos. 1 . 6.

2.29(E)

Presence W. in 3

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two

Part B for January 1926

SUBJECT

Scheme showing the requirements on account of the improvement of Malwa in all its aspects

11b

From the Examiner Survey for Hassan
Dated 22-5-26
Enquires whether the preliminary reports are to be published and if published wants 300 copies to be sent to him

11/26 Jm

Serial No

From the Economic Survey Officer, Hassan
D.O. No. 185 dated the 3rd May 1925.
Submits a Scheme showing the requirements on account of the improvement of the Malnad in all its aspects.

The Economic Survey Officer says that as at present a lakh of rupees might be continued to be spent through the District Boards and over and above this suggests inauguration of 2 sets of - schemes - one affecting whole Malnad and the - other covering 2 selected Taluks in which intensive expenditure may be incurred for 2 to 3 year the area being shifted thereafter to 2 other taluks, the scheme being worked by a Development - Officer, who may be the co-ordinating agency for this and all the other schemes covering the entire Malnad. Each scheme should have its own - Assistant and Establishment who may also conduct necessary surveys from time to time. He wants a recurring grant of 3 lakhs of rupees for a - - period of 10 years for the plans and schemes for Malnad Improvement being efficiently worked out. He also suggests that if his period is not to be further extended he may be permitted to spend the rest of his period in putting up detailed reports about the 5 villages intensively surveyed and - - that if his services are to be continued, he may be deputed for a period of 4 months to the United - - States of America and Canada to study the working of the Rural Mortgage Banks in the former and

NOTE—Contd. Sheet

Serial No.

wheat foods ~~foods~~ in the latter and in addition he wants that a Royal Proclamation should issue regarding the organisations proposed by him for Malnad Development on the Birthday of H. H. the Maharaja

The Officer has submitted 2 statements showing (1) items which will not cost any additional expenditure to Government, and (2) those which involve loans or expenditure by Government.

Of the items referred to in the first statement all except (d) relate to the framing of modified rules or regulations to give redress to the -- poor landowners of the Malnad against the clutches of the usurious money lenders, attachment of holdings, etc. These may perhaps be considered in the Revenue branch in consultation with the Protection Branch.

Item (d) relates to the increase in the --- number of Sanitary Inspectors so as to have an Inspector for every 10 to 15 villages. There are - on an average about 150 villages in each taluk and at the rate proposed by the officer, at least 10 - Inspectors have to be appointed for each taluk. -- The pay of these ~~the~~ officers is generally met by the -- local bodies and hence there is no expenditure --- directly to Government, as indicated by the Survey Officer. But many Taluk Boards and Municipalities have not still appointed a single Inspector on account of poor finances and it is not possible to - state whether they would be agreeable to pay for - the appointment of about 10 Inspectors.

Note—Contn. Sheet

Serial No

With regard to statement No. 2, it is submitted that the estimate of expenditure detaile by the Economic Survey Officer are as follows:-

1. Public Funds expected as Deposits or Shares. Rs. 11,00,000
2. Government Loans. .. Rs. 5,00,000
3. Non-recurring expenditure to Government. ... Rs. 95,000
4. Recurring expenditure to Government. ... Rs. 2,85,000

The items in regard to which additional expenditure is proposed are:-

1. The ordinary Malnad? Relief, Irrigation, &c.?. Rs. 1,00,000 Recurring grant -
2. Land Mortgage Bank Rs. 2,00,000 Deposits (by means of shares). Loan of Rs. 1,00,000 by Government, -- free of interest and Rs. 1,00,000 at 4% interest, - and Rs. 5,000 -- Recurring grant.

It is stated that the financial leprosy of Malnad could be cured only by Rural Mortgage -- Banks. The amount is proposed to be utilised (1) for improvement of land, (2) adoption of improved methods and (3) cancellation of old loans on paddy, sugarcane, areca and Cardamom lands, -- with a minimum of Rs. 100/- and maximum of - - Rs. 10,000/- in each case, Government to manage the Bank and guarantee interest at 6½ to 7 per cent and His Highness the Maharaja to take - - Rs. 1,00,000 worth of shares. Government may also invest a portion of Trust Funds in their control.

NOTE—Contn. Sheet

Serial No.

The Economic Survey Officer lays much - - stress on the redemption of loan and quotes the action taken by Solon in this respect. It is not known if it is possible to follow the practice at present of the old Athenian days and if people will be so readily forthcoming to deposit moneys while poverty is also said to prevail in the tract to a great extent.

3.	Central Co-operative Syndicate.	Rs. 1,00,000 Public Deposit, -- Rs. 1,00,000 -- Government loan and Rs. 5,000 - recurring grant from Government

This is wanted for marketting cardamom, ~~crop~~ paddy and areca. The Syndicate will advance -- money on standing crops. No Government intervention is advocated in regard to coffee.

4.	A Joint Stock Company for running motor bus over -- all the Malnad Taluks up to the -- Ghats and to manage a Telephone line to run all along the roads in the area.	Rs. 8,00,000 Deposit including --- Rs. 2,00,000 already invested in the busses and -- Rs. 2,00,000 loan from Government.

This is recommended as more suitable than a railway scheme for Malnad. A monopoly to an -- indigenous syndicate is recommended who may also be given ~~merit~~ mail contracts. The loan of Rs. 2 -- lakhs is to be met from Railway Cess collections, Government guaranteeing interest ~~and Government to guarantee interest~~ on shares. The Development Officer is proposed to be appointed to the Directorate to safeguard Government interest &c.

Seria No

5. A Labour Department. Rs. 20,000 Government loan and recurring grant of -- Rs. 5,000.

It is stated that the Motor Bus Service will facilitate the supply of labour, who may be induced to stop in the Malnad by grant of small - holdings for cultivation.

(2) In this connection kind reference is invited to the Government Orders noted in the margin re. Malnad Labour Supply. The local land owners -- would not contribute even one-third of the cost of the scheme proposed and it had to be given up. Without popular support the schemes financed by -- Government are not likely to succeed.

f.o. no. 9 2030 8-13/Sam 80-16-15-8 10.3.1919 W.
R.O. 9.2640/1-6/Sam 108-18-8 & 24.5.1919

(4) 6. Intensive Development of 2 Taluks at a time. Rs. 1,50,000 Government grant.

Twenty items are specified for being worked up under this. They relate to Agricultural, Veterinary, Industrial, Educational, Medical and Sanitary measures to be adopted in the area. This is a matter for consideration.

(3) 7. A Special ~~Regulation~~ Agency to work out items 2, 5, & 6. Rs. 10,000 for deputation of an officer -- and Rs. 20,000 Government grant.

(4) 8. Importation of a first rate Forest Economist Rs. 65,000 non-recurring expenditure.

To report upon the forest resources of the Malnad, how to conserve them and how to utilise them for the good of the State. Whether information is not already available in the Forest Survey Reports or whether any of the Officers in t

Serial No.

State Service cannot undertake the work, if necessary, is for orders.

(L. Wallace)

The financial effect of the proposals made in the Special Officer's Summary is as follows

By loan for Public Health Protection - it is proposed to raise by loan a sum of 5 lakhs, for

Non-recurring Extraordinary - 95,000 Rs

Recurring Expenditure - 2,85,000 Rs

All this is in addition to the normal Expenditure now being sanctioned

It is difficult - not when these proposals as he has not - either his views for the Extraordinary Certain lines like the Municipal Bank are under the Consideration of Govt + then disposal has been ordered to be kept over till the Special Officer makes his report if seems necessary to expedite that this report should be sent up as early as possible

NOTE—Contn. Sheet

Serial No.

The Sub Committee decided to ask the following questions

1) Whether there will be any saving to the Government by the acceptance of Scott's services or otherwise. This information has to be ascertained by the Committee before they can express any opinion in the matter.

2) Whether Scott is likely to continue his services beyond the present term i.e. upto the 2nd June 1925 or not.

This is to be ascertained from para 19 of his letter & also from the third point raised by him in the orders that would seem that he has collected material enough to draw up his report. The extension of his services merely for the finishing of the enquiry seems unnecessary.

3) If Scott decides to retain his services, he asks that he may be deputed to Canada & the U.S.A for a period of 4 months.

This is to be seen—

Serial No.

4) The Suggestion that all the actions by first and last lines indicated by a bracket may be by means of Criminal Railway Proclamation instead of Ordinance, for securing the Public safety & the Defence of the Realm which are taken from fully respect entertain of the peoples welfare" The suggestion made by the Spl Officer deserves no comment or criticism of Officers to be left to call upon the Spl Officer to Complete his report if he has collected sufficient material & data already He may be informed that Govt are not satisfied with principles on his proposals are based & that his suggestions will be reconsidered after he submits his report. The Continuance of Martial Law will depend on what Govt thinks will be required in the light of facts disclosed on his proposals. Perhaps it would be better not to say anything

NOTE—Contn. Sheet

Secretariat.

Dam File No. 50 of 1914

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on the point next.

There is one other point for order. viz what provision should be provided in the budget of the next year in lieu of development of Malwad Improvement work. Whatever proposal may now be ordered to be made Govt may be in the form of a lump sum grant.

15/8 —

Dear [illegible] Please refer to [illegible] in the Govt resolution suspended [illegible] to be kept [illegible]

H My

9374/18/5

18/8 — 11.1

1 The Survey Officer was meant mainly for intensive Survey of typical Malwad villages.

2. He could have done well to have attempted to ascertain, when he was in Bangalore last year his views schemes & proposals.

3. Eight years ago as Reg. of Coop. Societies had sanctioned a debt Survey of

NOTE—Contn. Sheet

Serial No.

Some Malwa village Co-op. Societies
& Six years ago ~~as Convenor~~ I
was Convenor of the Indore Conference
that recommended the Establishment
of a Land Mortgage Bank
& of Legislation ~~to~~
~~any~~ re indebtedness — as
without legislation ~~most~~
the majority of the indebted
will not benefit by
a Land Mortgage ~~Bank~~;
which have piles on the Subject, on Forest Economics etc.

26 4. The needs of the
Malwa are very well known.
& as little money as possible
should hereafter be spent on
more establishments. other
than medical, & Sanitary
the Malwa G.O. has,
I think laid down future policy
on sound lines; & all that
can be done is to work it
out ~~as~~ as far as funds
permit

27 5 As we are not flush
of Cash, ~~and~~ as ~~the~~
further work in connection with
it have been done in these
the Six months, & as ~~we~~
~~have to print Malwa~~

NOTE—Contn. Sheet

a Special Fund

General and Revenue Secretariat.

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Serial No.

not required for starting Land Mortgage Banks — (about which I shall note separately at the proper time) I am of opinion that we are not justified in continuing the services of the Special Officer after the six months during which I sanctioned him year by year can be justified & attached on the line of the Madras G.O. & no addl. funds can now be sanctioned for a Development Officer &c. &c.

19/5/25.

Please circulate to [illegible] for [illegible] by reading his opinion

19/5/25

554/22-5

G. R. S. III-2)

General and Revenue Secretariat. | Sen. File No. 40 of 19

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25) The Special Economic Officer wishes to be informed how far his recommendations for the amelioration of the Malnad are acceptable to Government and whether the action to be taken by Government should be necessarily through the Legislativ Council and the Representative Assembly or whethe it may be adopted on a Royal Proclamation by His Highness. He also wants to know the decision of Government in respect of the continuance of his services as also in the matter of his suggestion to send him on deputation to U.S.A. and Canada

36) With regard to the first point- re: the opinion of Government on the several suggestions made by the Special Officer, he cannot expect the Government to communicate to him straight off either their views on his suggestions or the acti proposed to be taken by them thereon. Coming to the suggestions themselves which have been made by the Special Officer for the improvement of the Malnad, after a cursory two months' study of the conditions prevalent in the ~~Malnads~~ visited by him, there is not much in them which are new and which had not been observed before by the several officers of Government or had come up before the Government in one form or other from time to time.

1) The question of formation of Land Mortgage Bank

Serial No.

Banks.

establishment of Labour Bureau and the other numerous suggestions made for development of the Malnad have, most of them, been considered by Government and necessary action taken thereon to the extent possible in our present financial conditions

32) The suggestion of the Special Officer for the formation of a joint stock company for running motor cars over all the Malnad taluks does not appear to call for any action at present as there are already a large number of motor busses connecting almost all the Taluk headquarter towns in the Malnad.

33) As regards the measures which the Special Officer recommends to be undertaken without additional expenditure, many of them will require a change in the existing laws; and his suggestion to have them issued as a Royal proclamation by His Highness without reference to the Legislative Council or the Representative Assembly is quite impracticable and not worth serious consideration

34) With regard to the future utilization of the Special Officer's services about which he wants information, I do not know if any useful purpose will be served by sending him on a deputation to U.S.A. or Canada as suggested by him. I do not also consider it necessary to extend his services much longer in connection with the economic work.

NOTE—Contn. sheet.

Dewan

28/5/29

General and Revenue Secretariat.

File No. 52 of 1926

Serial No.	

Please link with the 9th report file

Cheque has already been issued as requested

Letter sent 31.5.

8.6.

Acknowledgement received 12/6

This may be now returned to Sanitary Section

28/1 Sanitary

Yes Inadvertently linked letter file re meetings of Mr. M. S. Leeson Report Committee. May these papers be recorded?

28/1/26

28/1/26

YS 28/1

NOTE—Contn. Sheet

General and Revenue Secretariat.

Sair File No. 50 of 1924

Serial No 6

From the Economic Survey Office.
No. 238 of Bangalore 22nd May 25.
Enquiries whether the preliminary report on the Economic Condition of the Mahrad is to be printed & if so how many copies. They request that 300 copies may be placed at their disposal for distributing among Economic Bodies Journals & Associations.
Submit for orders.

JRD 23/5/25 JWK 23/5/25 L. 2 Secy 23/5.

Mark the file in which the Manager has replied on Spinn - ce & the file containing the original letter -

Ry, — 23

(See previous page)

HHY 26/11/26

NOTE—Contn. Sheet

(15(a))

Confidential.

Economic Survey Office,
Camp Hassan,
Dated 3rd May 1925.

No. 185
Enclosure one
Read 4 Nil

GENERAL & REVENUE DEPTT.
7053.
- 5. APR. 1925

Sir,

Permit me to submit this confidential letter which catalogues the measures that, in my opinion, may kindly be taken up by the Government of His Highness the Maharaja with the beginning of the year 1925-26, for a speedy and effective amelioration of conditions in the Malnad. My entire preliminary Report (which will be submitted for your kind consideration by about the 20th of May) will reveal the urgency there is for adopting these measures as the minimum programme of the State for the development of these tracts. I have scrupulously left off all ideas and schemes which involve impossible investments or expenditure, and concentrated my attention solely on what should be possible.

Scope &
Nature Complete
These maps
worked up
urgently for
Budget Consideration
& submitted
to the H/S.
by the 20th
May
4
5/5
&
5/5.

2. A word of explanation is due before I proceed further. From your talks to me during interviews, I have come to believe that your determination to do something substantial and far-reaching for the betterment of conditions here, is unmistakable and irrepressible by other policies or programmes. And the belief of the generality of the intelligentsia of the Malnad in your concern for these people and seriousness in desiring to do tangible good to them (and thus earn their everlasting gratitude), is remarkably firm. I have over the past three months wandered far and wide, visited huts and hamlets slept on pials of cultivators hospitable and inhospitable, talked to all sorts of people but in all places through which you toured last year there is a universal hope -- that something of a panacea is coming very shortly. In such circumstances, I thought that I would be committing almost a crime if I sent my humble

suggestions to you rather too late for adoption (on approval) during the coming year 1925-26, yet, my Report takes time, and I fear delay might mean a serious responsibility: postponement of the inauguration of a thorough-going scheme for the development of the Malnad by a year is sure to mean all the difference between hope and disappointment: men -- even in backward Malnad -- are aspiring to lead fuller lives, and time has become much more precious than what it was before. The suggestions which I place below for your consideration are the fruit of my arduous labours over the past three months. The Report will follow in about three weeks, but if you think it feasible, I would request you with all the earnestness at my command to provide the wherewithal for the schemes I have submitted. I am fully confident that my proposals have full legitimacy: details put forth in my Report will fully justify my confidence.

3. I divide my proposals into two groups: (1) Those which will not cost any additional expenditure to Government (the present administrative organisation to work them) and (2) those which involve loans or expenditure by Government. I do believe that the expenditure and loan I have proposed for the Development of the Malnad is within practical reach of Government -- if only you as Head of Government decide to provide them (and thus give effect to a very keen wish of His Highness the Maharaja).

4. The bulk of the people of the Malnad ardently pray for the organisations I have proposed: a few of course do not know their own minds. At the present stage of democratic reponsibility in this country, I need not lay stress on the fact that not all progressive measures are supported by whole Houses. The state of affairs in these backward tracts is so depressing and grave that responsibility with

(17

with regard to it cannot reasonably be left aside as the people's own affair. I need not point out to you, Sir, that elements like the franchise system have made our Legislative Council and the Representative Assembly far from fully representative of the people's welfare: a plain sailing Royal Proclamation -- that would be the most acceptable and the quickest method for inaugurating the long-deserved process of reform. I beg to suggest this because I know (from a gracious interview granted to me by His Highness the Maharaja) that the Soverign is very eager to help the Malnad as fully as possible.

5. Sir, We have in our Western Districts something like what was prevalent in Ireland in the early decades of the nineteenth century: the landed magnates there never liked the Land Acts, but is was Westminster which dictated the reforms. And all that Sir Horance Plunkett was able to do was possible mostly on account of the radical reform determinedly persisted in by the Home Government.

6. The outline put down below leaves the present arrangement untouched: a lakh of rupees may be continued t to be spent as it has been over these two years -- through the respective District Boards. Over and above this, I suggest the immediate inauguration of two sets of schemes: one covering the whole of the Malnad, the other covering a selected Locality, say two Taluks, in which intensive expenditure should be had recourse to for a period of 2-3 years, -- the selected area to shift to anotner couple of Taluks after that period. The selected locality (which may with great benefit be placed under a Development Officer) should be administered as elsewhere but the Officers of all humanitarian Departments concerned in the

the functions of the Development Officer, should be responsible to the latter so far as that locality is concerned. I strongly plead for such a Development Area because Government plans and schemes with regard to social amelioration, do involve a much heavier scale of expenditure on the machinery and on the material than is allowed ~~a~~ our possible at present: the value of money has gone down very much. The result has been, in my opinion, that with slowly increasing expenditure on items like education, medical aid, roads, etc our results have increased quantitatively, but not qualitatively, there has been a diffnite decline in efficiency. A scale of expenditure commensurate to present-day price ~~tends~~ levels is sure to bring its own returns in the ~~stage~~ shape of people's prospirity and increased revenues, provided sufficient time is allowed for the people of the locality to utilise the benefits offered by Government. All the functions I have enumarated against the Development Area are desirable to be taken up for the whole of the Malnad at once, but financially it would be an impossibility, at least at present. I therefore consider the selection of a special Area as practicable and worthy of attempt. A "Development Officer" may be the coordinating agency for ~~the~~ this and all the other schemes covering the entire Malnad -- each such scheme having its own assistant and establish -ment.

7. Lastly, let me add, Sir, that my proposals have been very carefully weighed, discussed, revised, reshaped. Details of course will have to be worked out, but the purpose of this letter is to make the ground-work clear.

8. Some of the suggestions I submit here cannot be said to be applicable only to the Malnad, but it seems to me that there is greater need for such reforms in these backward ~~Taluks~~ than in the Maidan.

(19

9. A very important factor which must have great influence on the efficiency of Government plans and schemes for Malnad Development is continuity of policy and financial support. I therefore suggest that the recurring grant of Rs. 3 lakhs be guaranteed for a period of ten ~~year~~ years.

10. Economic enquiries periodically in different parts of every State have been admitted on all hands to be desirable: such surveys require the ~~completion~~ compilation of official figures as well as the collection of rural budgets etc., And much more time than three months is necessary for the completion of such an enquiry. But so far as the proposal of certain necessary schemes for introduction into the Malnad is concerned, I believe that I have had an adequate study -- both intensive and extensive. More such surveys can be conducted by the New Agency to be put up (in case Government are pleased to accept my recommendations), as a part of its normal duties. I do believe that I have started the work in a fairly thorough manner. Therefore I beg leave to suggest that:-

(1) In case Government decide not to utilise my services after the six months' period (which will end by about the middle of July), I may be permitted to spend the rest of the time (about May 20, 1925 to about July 14, 1925) in putting up detailed reports about the five villages I have intensively surveyed. Rains have already set in, and it is very difficult to go and make long halts in out of the way villages, with establishment and office equipment.

(20

Permit me to submit, Sir, that it was the the addition of the phrase "to begin with" to the period of six months, and your personal view expressed to me that in any action to be ta ken on my report I would naturally be the man to be selected for it -- it was these two factors that weighed in favour of my accepting the offer so kindly made by you. I have by now been forced to break off all my journalistic connections (it is impossible to stay in a village ten miles off a Post Office and be busy with rural problems of a local character for 12 - 14 hours a day, and yet maintain a journalist's width of reading and uptodateness and financially, I have been much worse off. In the Malnad it is the fashion for all officers to get a Malnad Allowance, but I did not even ask for it. As I wrote to you on December 8, 1925, it was sheer love of my own State that pursuaded me to bear with all incoveniences and troubles. It is for you, Sir, to judge what treatment my case deserves.

On the other hand, if Government decide to utilise my services further, I may be deputed to the U.S.A. and Canada to study the working of the rural Mortgage Banks in the former Country and the Wheat Pools in the latter. This would make it possible for Government to bring to working order the several measures proposed by me, by the beginning of December. The period of deputation need not exceed about four months all told.

(24)

11. To conclude, these are the points which you may be pleased to decide upon:

(1) Whether any or all of my recommendations are acceptable to Government.

(2) Whether you want my services further (after about July 14, 1925) or not.

(3) Whether I should occupy my time (about May 20, to about the middle of July) in going on a deputation to the U.S.A. and Canada almost immediately, or in finishing up my detailed Report about the five villages I have intensively surveyed and other general matters I have extensively studied, and

(4) Whether the action to be taken by Government should be through the necessarily delaying channel of the Legislative Council and the Assembly or by a gracious Royal Proclamation to be issued on the Birthday of His Highness the Maharaja.

I have the honour to be.

Sir,

Your most obedient servant,

S. Kusana Iyengar

Economic Survey Officer.

A N N E X U R E.

I. MEASURES WHICH WILL NOT COST ANY ADDITIONAL EXPENDITURE TO GOVERNMENT.

ITEMS.	REMARKS.
(a) Allowing discretion to judges to order repayment of longstanding land mortgage debts, in instalments, the history of the debt being the basis for his decision.	The Malnad cultivator's income is only once a year: he is desparately depending upon a single crop which is his single mainstay: Rural banking facilities (except of a private character) are practically absent here, and if a court of Law orders the repayment of a debt within six months, the only way in which the debtor can comply with the order is by selling his land. The value of land specially in the Malnad can never be realised at short notice: whether the land is auctioned off or is sold by the judgment debtor in a hurry, the sale proceeds are generally rediculously low. And with the loss of his land, the State loses a respectable honest responsible citizen. The categorical difference in out-look between the landed small cultivator and the landless small cultivator must strike any one who studies the ~~natives~~ in their activities and movements. "The decay of the yeomanry" of the Malnad is being accelorated by the courts of Law scrupulously standing by contracts and deeds: the proposed discretion to judges would reduce the evil to a very great extent.
(b) Sub - Economic holdings to be exempt from attachment.	The observations made above apply here partly. There is a rule now that the pay of a Government Official should not be attached for realisation of decree amount, if it happens to be Rs. 20 or less. Also, an agriculturist's implements etc, cannot be attached. The proposal made here goes a step further. Of course, the limit will have to be kept low; but it is better to have a limit than none. I would suggest the limit to be one acre garden and two acres wet land (Dry land has hardly any value in the Malnad)
(c) The cancellation of the rule that Kan land should not be given out to darkhastdars.	If we want settlers from outside, the link to bind them to the land is a holding. As matters are, there is a considerable amount of occupied land fit for cultivation, yet fallow, while the process of compulsory reduction of occupied lands lying waste for five years and above may be tried in the Development Area, a general rule may be made that all over the Malnad, small cultivators should be given bits of lands (below a maximum size) even out of Kan if they apply for them
(d) Abolition of Taluk Sanitary Inspectors' places.	These officials have no defined duties: ~~there~~ their ranges are too wide for them to do any really sanitary work. It is for the Municipalities to see if it pays to have sanitary inspectors (many Municipal Sanitary Inspectors collect ~~Motor~~ Mohatarfa taxes and do many other sundry bits of work which ought, strictly speaking, to be done by other employees of Government). I do not by any means undervalue the importance of sanitation. In the Development area we want many sanitary inspectors with small ranges of 10-15 villages.
(e) Compulsory payment of all amounts specified in deeds to be registered, to the part before the Sub Registrar.	Such a rule would minimise litygation and lessen the scope for dishonesty, with the present arrangement by which it is optional for the party to receive satisfaction before the Sub Registrar or not, the small cultivator has much to lose.
(f) The prohibition of interest receipt or payment beyond a maximum to be fixed.	I know some cases where 3 herus (756 seers) are charged as interest on Rs. 100/- per year: this ~~would~~ works at 54 per cent.

A N N E X U R E.

II. Measures which will cost additional expenditure to Government.

(23)

ITEMS	FUNCTIONS	PUBLIC FUNDS EXPECTED AS DEPOSITS OR SHARES.	GOVERNMENT AID. LOAN	NON-RECURRING GRANT	RECURRING GRANT.	REMARKS.
1. Malnad Improvement.	As during current and previous years.				Rs. 100,000	The grant for the territories coming under item 6 to be handed over to the Special Agency. Practically all the money is now being spent on Roads, wells and medical relief
2. Land Mortgage Bank.	Loaning out money on land mortgage, the wherewithal to be got from sale of bonds to be issued by the Bank (big estates excluded)	Rs.200,000 (as shares)	Rs.100,000 (free of interest) Rs.100,000 (at 4 percent)		Rs. 5,000	Proposes for the loans to be 1. Improvement of land, 2. Adoption of improved methods, measures etc., 3. cancellation of old debt Loans to be only on paddy Sugarcane, arica and cardomum lands, with a minimum of Rs. 100 and a maximum of Rs. 10,000. The Bank to be a Government managed concern with interest guaranteed on bonds at 6½ - 7 per cent. This rate may be reduced later on if possible. The vital interests of the State calculated to be helped by a system of Rural Land Mortgage Banks, do deserve the purchase of the first lakh of rupees worth of bonds by His Highness the Maharaja personally. This would be a very worthy example. We are ~~not~~ to help lepers in India: the scourge of debt in the Malnad has brought about a wide-spread financial leprosy: the only cure for which is through a system of Land Mortgage Banks. I have discussed the scheme with many a capitalist, and all round I have received encouraging answers. If they deem fit, Government may invest a portion of the funds held by them as trusts endowments, etc., in the Land Mortgage Bank bonds.

The situation in the Malnad requires drastic action by Government. The State of affairs in Attica when Solon assumed office was similar to what now prevails in these ~~trac~~ tracts and what steps were thought necessary by Solon should be interesting to statsmen concerned with the problem of the Malnad : says J.B.Bury in his Book :

Dracon's code was something but it did not touch the root of the ~~evil~~ evil. Every year the oppressiveness of the rich few and the impoverishment of the small farmer were increasing. Without capital and obliged to borrow money which was still very scarce, the small propiretors mortgaged their lands which fell into the hands of capitalists, who lent money at ruinous interest The condition of the free labourers or hektemori was even more deplorable. The sixth part of the produce which was their wage no longer sufficed, under the new economical conditions, to support life they were forced into borrowing from their masters. The interest was high and the person of the borrower was forfeited to the lender in case of inability to pay. Thus while the wealthy few were becoming wealthier and greedier,

greedier, the small proprietors were becoming landless and the landless freemen were becoming slaves. And the evil was aggravated by unjust judgments and the perversion of law in favour of the rich and powerful. The people were bitter against their remorseless oppressors and only wanted a leader to rebel.

The catastrophe, was averted by the mediation of an eminent citizen - Solon the son of Execestides, a noble connected with the house of the Medontids. He was a merchant and belonged to the wealthiest class in the State. He had imbibed himself with Ionic Literature, and had mastered the art of writing verse in the Ionic idiom. We are fortunate enough to posses portions of peoms - political pamphlets which he published for the purpose of guiding public opinion. The more moderate of the nobles seem to have seen the changer and the urgent need of a new order of things, and thus it came to pass that Solon was solicited to undertake the work of reform. He was elected archon with extraordinary legislative powers and instead of making the usual declaration of the chief magistrate that he would protect the property of all men undiminished he proclaimed that all mortgages and debts by which the debtors person or land was pledged were annulled and that all those who had become slaves for debt were free. By this proclamation the Athenians shook off their burdens and this first act of Solon's social reform was called the seisachthera. The great deliverance was celebrated by a public feast.

The character of the remedial measures of Solon is imperfectly known. After the cancelling of old debts he passed a law which forbade debtors to be enslaved and he fixed a limit for the measure of land which could be owned by a single person so as to prevent the growth of dangerously large estates. These measures hit the rich hard and created discontent with the reformer. While on the other hand he was far from satisfying the desires and hopesof the masses. He would not confiscate and redistribute the estates of the wealthy as many wished. And though he rescued the free labourer from bondage he made no change in the sixth part system so that the condition of these land-less freemen was improved only in so far as they could not be enslaved.

3. A Central Co-operative Syndicate.	Marketting cardomum, paddy and Arica.	Rs.100,000	Rs. 100,000	for Government intervention	Coffee has already got a fairly satisfactory trading organisation, there being no justification. Additional funds could be secured by the Syndicate from Commercial Banks on account of the fact that the Syndicate would require only demand loans: all that the syndicate would have to do is to advance money when necessary on standing crops and thus save the cultivating owner from the grip of the speculator or the profiteering middleman.

4.	A Joint Stock Company for running Motors over all the Malnad Taluks leading up to the Ghats on the west end Railway stations on the east: a Telephone line with stations to run along all the roads i the area.	The maintenance of a daily passenger service and a weekly lorry service for coffee, arica, cardomum, plantans, orgranges termeric, ginger. pepper etc.,	Rs. 800,000 (Rs.200,000 already invested in the busses running at present)	Rs.200,000 (shares)

A fundmental condition for the success of the company would be the grant of a monopoly for running motors for hire, to it by Government. In addition Government would have to guarantee interest on shares at a reasonable rate of interest for say 5 years. The loan of Rs.200,000 may be made out of the Railway Cess collections already made. The cost of putting up a Telephone connection along all the roads would be very low. The private enterprise working at present would of course be utilised.

It is understood that the M.S.M.R. has planned the running of Motors from Harihar to Mangalore via Shimoga, and Mangalore to Hassan. This arrangement, if permitted by the State, should be highly prejudicial to local interests. Not only should an indigenous company be preferred but all Mail contracts should be arranged to be given to the latter company as present contract end. The company must be able to guarantee a daily service for passengers in all Provincial and Local fund Roads: between the Ghats on the west and the Railway stations of Harihar, Shimoga, Tarikere and Hassan, Kadur and Mysore on the east. There are numerous and weighty reasons for considering a Railway programme as inadvisable: they will be dealt with in the report which will follow. It is true that for commodities like paddy a motor lorry service cannot be of much use, but to retain the paddy growth of Malnad in the land by continuing the present difficulty of transport would be a blessing in disguise: There are numberless cases where Malnad people sell paddy cheap in February or March and buy at 50-75 per cent higher rates in October or November.

I have discussed this scheme with almost all of the present enterprisers running bus services. The general opinion is in favour of my scheme, There is now a very deplorable lack of cooperation between Government Departments and these bus-runners. The collection of the new levy on busses from July 1st without a material alteration in the organisation of this only practicable means of transport in the Malnad, would very much worsen the situation. I have studied in detail the methods of working of the existing services. While the enterprise deserves encouragement, the way in which the services are kept up is far from satisfactory and certain: a public utility concern ought not to be left so much to private convenience. The Telephone line would be worked by the Joint - Stock Company just as the Railways work the telegraphic connections. On the new company's directorate the Development Officer would safeguard the interests of the Government, funds and the public interests with regard to questions like rates, the Company would have to be subject to regulation by Government.

5. A Labour Department.	Adjustment of demand for and supply of labour. Creation of facilities to locally settle-imigrant labourers. Supply of coolies to D.P.W. as well as to Arika, Coffee and cardomum gardens on terms fair to employers and employees alike.	Rs.20,000	Rs.5,000	The guarantee of a regular cheap Motor service will surely change the attitude of the below-Ghat labourer. Labourers having no stake in the country and taking away their net incomes year after year for investment elsewhere do cause a great drain on the country's wealth. No attempt should be spared to encourage local settlement of the labourers. the grant of convenient pieces of land for cultivation out of the present cultivable waste forming part of District Forests etc is desirable. Occupied waste land should be compulsorrily re-alloted among needy small cultivators at least in the Development Area to begin with. The relation between the labourers and the employers are far from satisfactory, and if further disausters should be avoided, it is very necessary that Government should regulate these relations. Insufficient income is at the very root of the low birth rate, disease and debt.
6. Development Area	1. The preparation of a Record of Land Rights. 2. Complete repairs of tanks, trenches, etc, 3. Consolidation of holdings. 4. Allotment of Kumki lands to bono fide cultivating owners. 5. The opening of Agricultural farms for ininerant demonstrations and for the evolution of suitable cheap manures. 6. The opening of veterinary hospitals and the maintenance of Touring bulls: the head quarters of the Live Stock Expert, of ~~an~~ Veterinary Assistant Superintendent and of an Assistant Director of Agriculture to be in the Development Area. 7. Exploitation of water sources for irrigation and for drinking. 8. The grant of bounties on new Crops and summar crops. 9. Plantation of a system of bye industries for different classes of the population. 10. Reorganisation of villages Statistics. 11. Maintenance of trade figures. 12. The conversion of the present primary schools in the Development Area into Rural Schools (except in urban areas) in the locality) with a caricullum comprising mainly Agricultural subjects and practical work in	Rs.150,000		The attainment of improvements indicated under the heading "functions" is neeessary over all parts of the Malnad but the money required would be huge. The object of this proposal is that a small area would permit intensive expenditure and ensure definite results, while secondarily, the scheme would also be of great experimental value. 3 years would be sufficient for the development of the area in the numerous directions. Then, another couple of Taluks might be taken up for similar treatment. The urgency for the reforms indicated by the functions to be undertaken by Government in the Development Area through a Special Agency will be dwelt on at length, in my preliminary report. I may cite an instance to explain my position: the District Engineer at Chickmagalur told me that his estimate for a road from Hariharpur (Koppa Taluk) to Bandigadi - a distance of about 5 miles - was Rs.5000 I told him that from my knowledge of the country thereabouts (Bandigadi is one of my five villages surveyed in detail), Rs.5000 would not be enough at all. The reply given by him was that he would be able to put up only a Cart-track which would be completely washed off by the next rains The point here is that if the Rs. 5000/- be spent by putting up this road, the whole amount will be a waste because the whole thing will be undone by the heavy rains. So, either we should not spend any money

	Agriculture and subsidiary occupations: the provision of hours of teaching for reading, writing and arithmetic to be duly made. 13. The construction of Pakka inter-village Roads capable of standing heavy rains and involving comparatively less of recurring expenditure on repairs. 14. Improvement of villages' Sanitation. 15. Training of village school masters for adminstering standardised pills and mixtures and powders for ordinary diseases, and for giving First Aid in cases of accidents etc: and entrusting them with medical relief work in their respective ranges, with suitable allowances. 16. The encouragement of growth of Ayurvedic and Unani hospitals. 17. Provision of an adequate supply of midwives and Maternity facilities. 18. Rationing of Arrack and ganja on a progressively decreasing scale (on the lines recently accepted by the Government of Bombay). 19. The conduct of propaganda work in order to disuade the people from indulance and vices. 20. Putting up of quarters for Government officials.			at all on new roads or should spend on such a scale as to provide pacca roads capable o standing Malnad weather: simi lar things are happening in t case of buildings, schools, hospitals, etc.,
7. A Special Agency	To be in charge of item No. 6 and to coordinate and work the whole programme (items No. 2 & 5)	Rs.10,000	Rs.20,000	Rs. 10,000 would be necessary for sending an officer to study the wor -ing of Rural Land Mort- gage Banks in the U.S.A. and Wheat Pools in Canad for about 4 months.
8. The importation of a first rate Forest Economist (perhaps from Germany) for one year.	To report upon the Forest resources of the Malnad, how to conserve them and how to utilise them for the good of the State.	Rs.65,000		Many of our Forest products are not used at all - for consumption or for trade. Arguments li like inaccessibility and want of demand are usual -ly put forth. But a glance at European price of Forest products will show that there are very good markets for our Forest products. It requires a proper connection of our supply to th demand centres. Improve Forest husbandry must be able to overcome the difficulties of inacce- ssibility.
	TOTAL. Rs. 11,00,000. ~~5,00,000~~. 95,000 - 2,85,000			

-1825

Public response expected - Rs 11,00,000
Government loan recommended - Rs 5,00,000.
" non-recurring expenditure - Rs ~~75~~ 95,00
" recurring expenditure - Rs. 2,85,000

S. Kanara Agri
Economic Surv
Report from

GENERAL SECRETARIAT
23 MAY 1925
LOCAL SELF GOVT. BRANCH

No.238.

From

Professor S.Kesava Iyengar, M.A.,F.R.E.S.,
Economic Survey Officer,
Camp BANGALORE.

To

The Secretary
to the Government of Mysore,
Local and Legislative Departments,
BANGALORE.

Sir,

Numerous academical bodies and journals are interested in the work I have done in connection with the Malnad Economic Survey -which is practically the first of its kind in India conducted under Government auspices. May I know if Government propose to have my Preliminary - Report printed? If so, may I request them to kindly spare me at least 300 copies which I propose to distribute among Economic and other - Journals and Associations?

Thanking you,

I have the honour to be,
Sir,
Your most obedient servant,
S. Kesava Iyengar

Camp BANGALORE,
May 22, 1925.